Seattle
Office of Housing

September 13, 2021

K. Wyking Garrett
Executive Director
Africatown Community Land Trust
1620 12th Avenue
Seattle, WA 98122

Re: Term Sheet for OH Acquisition Funding for the Keiro Center

Dear Wyking,

I am pleased to inform you that the Office of Housing (OH) has approved your loan request for acquisition of the Keiro Center, located at 1601 Yesler Avenue, Seattle, Washington, for funding of up to $5,800,000. The projected sources of funding include the Coronavirus Local Fiscal Recovery Funds.

This letter will serve as the City of Seattle's award of funds for the site acquisition, subject to the following conditions:

1. The loan meets the conditions of the City of Seattle Housing Funding Policies, as amended, including:
    a. Neighborhood Notification and Community Relations Guidelines,
    b. Development Siting Policy
    c. Community Relations
    d. Relocation, Displacement, and Real Property Acquisition
    e. Affirmative Marketing
    f. Fair Contracting Practices, WMBE Utilization, and Section 3

2. Additional OH requirements as requested prior to closing.

An equal opportunity, affirmative action employer. Accommodations for people with disabilities provided upon request.

Loan Terms

1. The loan term shall be for up to fifty (50) years.

2. The interest rate shall be 1% simple interest. All accrued interest shall be paid in full when the loan is repaid.

3. A 50-year regulatory agreement will be recorded against the property that will require use of the property wholly or in part for low-income housing. This regulatory agreement must be prioritized in first lien position. The regulatory agreement shall continue and remain in first position when the loan is repaid or discharged. If OH provides permanent financing for the project, the covenant will be amended and restated to comply with Rental Housing or Homeownership program policies as then in effect.

   No later than the 8th anniversary of the OH Loan closing, the units within the project must meet income and affordability levels outlined in the regulatory agreement and shown in Attachment A, Unit Mix and Affordability chart.

   Until the 8th anniversary of the OH Loan closing, OH approves your requested interim use of the site as a shelter for homeless individuals.

Ongoing Reporting Requirements After Closing

From closing through the calendar quarter following the issuance of a final Certificate of Occupancy for the City-funded Units, Borrower shall deliver a quarterly progress report to OH. The progress report shall be due on the fifteenth (15th) day of the first month of the quarter (i.e. January, April, July, October) unless otherwise agreed in writing by Borrower and Lender. Each progress report shall include at least the following:

(1) **Schedule**:
A schedule for significant milestones in the proposed development and permanent financing of the Property, showing whether any proposed redevelopment is expected to meet any deadlines and whether all fund sources are expected to be available when needed.

(2) **Status**:
Current status of the Borrower's proposed development of the Property, including:

   (a) Status of applications for or commitments of capital fund sources, and final loan documents from other sources.
   (b) Status of architectural, engineering, and permitting work.

(3) **Relocation**:
Status of any relocation activities and copies of all documentation including notices to residents and benefit calculations.

(4) **Notification and Good Neighbor Activities**:
Update on community notification and good neighbor activities conducted by Borrower.

If a quarterly status report indicates any problem or anticipated problem in compliance with the terms of this Loan Agreement or in securing permanent financing for the Property, then the report must include an explanation of the reasons for any such problems or changes and a proposed plan for dealing with any problems identified. The acceptance by Lender of any report shall not be deemed to constitute approval of any changes shown or proposed in the report or any waiver of any requirements in the Loan Documents. It shall be the responsibility of Borrower to obtain the Lender's approval in writing of necessary changes.

The City's reservation of funds is based upon representations made in your funding application. Changes to those representations must be reported and approved by OH in writing. Unreported changes may result in a delay of closing and/or a loss of City funding. These requirements are designed to ensure productive communication between the Borrower and the City regarding Project status prior to closing. You are encouraged to visit http://seattle.gov/housing/development for further information on the City's funding process.

Your contact for the City of Seattle loan is Rosey Zhou. If you have questions regarding any of the enclosed materials, please contact Rosey at rosey.zhou@seattle.gov.

Sincerely,

Emily Alvarado
Director

Cc: Rosey Zhou
File

Attachment A

UNIT MIX AND AFFORDABILITY CHART

% of Median Income Served	Qty.	Unit Type
30%	47	Studio
50%	91	1 BR
60%	124	1 BR
60%	23	2 BR
TOTAL	**285**	